

A G E N D A
UTAH BOARD OF WATER RESOURCES

Roosevelt Crossroads Senior Center
50 East 200 South
Roosevelt, Utah

September 15, 2006

8:30 a.m.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - July 28, 2006
- III. CHAIR'S REPORT
- IV. FEASIBILITY REPORTS

	<u>County</u>
E167 Loss Creek Irr. Co.	Piute
- V. COMMITTAL OF FUNDS

E166 Circleville Irr. Co.	Piute
E184 Otter Creek Res. Co.	Piute
- VI. SPECIAL ITEMS

E173 Cub River Irr. Co.	Cache
E196 Emigration Improvement Dist.	Salt Lake
- VII. DAM SAFETY CONSTRUCTION FUNDING

C033 Kent's Lake Reservoir Company	Beaver
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- VIII. COMMITTAL OF CLOUDSEEDING FUNDS
- IX. DIRECTOR'S REPORT
- X. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Roosevelt City Council Room
Roosevelt Municipal Building
225 South State Street
Roosevelt, Utah

September 14, 2006

3:00 p.m.

- | | | |
|------|------------------------|------------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Hancock |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status
September 15, 2006

Funds Available for Projects This FY \$ 10,518,000

Projects Contracted This FY

1 Lincoln Culinary Water Corp	E165		332,000
2 San Juan WCD (Recapture Dam)(Amend)	C026	Grant **	200,000
3 Spanish Fork South Irr Co	E193		29,500

Total Funds Contracted	\$ 562,000
Funds Balance	\$ 9,956,000

Projects with Funds Committed

1 Utland Ditch Co	E182		\$ 270,000
2 Enterprise Res & Cnl Co (Lower Ent Dam)	C012	Loan **	20,000
3 Mosby Irr Co (Amend)	D730		3,600,000
4 Sevier Valley Cnl Co	E197		195,500
* 5 Kents Lake Irr Co (Three Creeks Dam)(Amend)	C033	Grant **	3,534,000
* 6 Kents Lake Irr Co (Three Creeks Dam)	C033	Loan **	186,000
7 Deseret Irr Co (Phase 5)	E101		168,000
8 Fountain Green Irr Co (Well)	E185		221,000
9 Dry Gulch Irr Co	E176		221,000
10 Newcastle Water Co	E202		459,000
* 11 Circleville Irr Co	E166		115,000
* 12 Otter Creek Res Co	E184		190,000
Commitments for Dam Safety Studies			111,000

** Dam Safety Projects

Total Funds Committed	\$ 9,291,000
Funds Balance	\$ 665,000

Projects Authorized

1 Deseret Irr Co	E056	\$ 144,000
2 Hi-Country Estates Homeowners Assn	E127	406,000
3 North Creek Irr Co	E181	288,000
4 Fremont Irr Co	E194	282,500
5 Providence-Logan Irr Co	E191	340,000
* 6 Loss Creek Irr Co	E167	172,000

Total Funds Authorized	\$ 1,633,000
Remaining Funds Available	\$ (968,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status
September 15, 2006

Funds Available for Projects This FY	\$	5,064,000
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Bonds Closed This FY

1	\$	-
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Total Bonds Closed	\$	-
Funds Balance	\$	5,064,000

Projects with Funds Committed

1 Kamas City	L550	\$	1,879,000
2 Centerfield Town	L547		255,000
3 Corinne City	L555		326,000
4 Town of Mantua	L553		<u>140,000</u>

Total Funds Committed	\$	2,600,000
Funds Balance	\$	2,464,000

Projects Authorized

1	\$	-
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Total Funds Authorized	\$	-
Remaining Funds Available	\$	2,464,000

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status
September 15, 2006

Funds Available for Projects This FY	\$	30,339,000
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Projects Contracted/Bonds Closed This FY

1	\$	-
Total Funds Contracted/Closed	\$	-
Funds Balance	\$	30,339,000

Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	\$	22,500
2 Ashley Valley Res Co	E145		2,400,000
3 Ephraim Irr Co	E061		120,000
4 Hooper Irr Co (Amend 5; Phase 2)	E060		145,000
* 5 Emigration Imp Dist	E196		2,860,000
6 Davis & Weber Counties Cnl Co (Amend, Ph 5)	E123		2,125,000
7 City of North Salt Lake (Bond Ins)	E206		30,000
Total Funds Committed		\$	7,703,000
Funds Balance		\$	22,636,000

Projects Authorized

1 Strawberry High Line Canal Co	D976	\$	3,187,000
2 Uintah WCD (Island Ditch)	E036		342,000
3 Richland Nonprofit Water Co	E087		335,000
4 Lake Creek Irr Co (Ph 2)	E102		300,000
5 New Escalante Irr Co	E077		300,000
6 St George & Washington Canal Co (Ph 3&4)	E129		4,400,000
7 Huntsville South Bench Canal Co	E143		1,287,000
8 Provo River Water Users Association	E177		60,000,000
9 Dixie Deer SSD	E170		340,000
10 Magna Water Co an Improvement Dist	E190		7,100,000
11 Wellsville Mendon Conservation Dis	E195		95,000
12 Salem City	E199		6,325,000
13 Whiterocks Irr Co	E084		4,955,000
14 Central Utah W C D	E204		60,000,000
* 15 Cub River Irr Co	E173		1,280,000
Total Funds Authorized		\$	150,246,000
Remaining Funds Available		\$	(127,610,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

September 15, 2006

ADDITIONAL ACTIVE PROJECTS	Fund	Est. Board Cost	Total Cost
Projects Under Investigation			
1 Keith Johnson	D996 RCF	\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067 RCF	187,500	250,000
3 Rock Dam Irr Co	E083 RCF	37,500	50,000
4 Downs Ditch Water Co	E139 RCF	281,250	375,000
5 Co-Op Farm Irr Co	E140 RCF	374,250	499,000
6 Anderson, Felt, Winters Ditch Co	E141 RCF	148,500	198,000
7 Felt, Peterson, Slater Ditch Co	E142 RCF	148,500	198,000
8 Emmertsen Irr Co	E144 RCF	86,250	115,000
9 Huntsville Irr Co	E146 RCF	627,000	836,000
10 Vernon Irr Co	E158 RCF	37,500	50,000
11 West Cache Irr Co	E160 RCF	150,000	200,000
12 Kingston Irr Water Co	E169 RCF	85,000	240,000
13 Greenwich Water Works Co	E171 RCF	112,500	250,000
14 Bullion Creek Irr Co	E172 RCF	75,000	100,000
15 Fountain Green Irr Co (Birch Creek)	E174 RCF	30,000	40,000
16 East Panguitch Irr Co	E175 RCF	375,000	500,000
17 Twin Creek Irr Co	E180 RCF	300,000	400,000
18 Fountain Green Irr Co (Flow Augment)	E186 RCF	75,000	100,000
19 Wallsburg Irr Co	E203 RCF	90,000	120,000
20 Grave Yard Irr Co	E204 RCF	16,400	41,000
21 Parowan City	E121 CWL	158,250	211,000
22 Gunlock SSD	E188 CWL	502,500	670,000
23 Woodruff Irrigating Co	D680 C&D	600,000	800,000
24 Kane County WCD	D828 C&D	1,500,000	2,000,000
25 Uintah WCD (Leota Bench)	D944 C&D	750,000	1,000,000
26 Gunnison Butte Mutual Irr Co	E004 C&D	10,500,000	14,000,000
27 Hyrum Blacksmith Fork Irr Co	E047 C&D	1,230,000	1,640,000
28 East Juab County WCD	E071 C&D	375,000	500,000
29 Ferron Canal & Res Co	E082 C&D	2,625,000	3,500,000
30 Town of Goshen	E109 C&D	240,000	320,000
31 Weber-Box Elder Conservation Dist	E113 C&D	9,750,000	13,000,000
32 Cottonwood Creek Consolidated Irr Co	E125 C&D	3,750,000	5,000,000
33 Alton Farmers Assoc	E128 C&D	1,650,000	2,200,000
34 Fremont Irr Co	E131 C&D	1,500,000	2,000,000
35 Grantsville Irr Co	E150 C&D	321,000	428,000
36 San Juan WCD	E198 C&D	3,000,000	4,000,000
37 Midvale City	L556 C&D	7,125,000	9,500,000
* 38 Leota Irr Co, Inc	E207 C&D	2,800,000	3,500,000
Subtotal		\$ 51,651,400	\$ 68,881,000

* New Application

BOARD OF WATER RESOURCES

September 15, 2006

Additional Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,379,000	\$ 12,211,000
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	11,566,000	13,607,000
4 Hooper Irr Co (Press Irr, Ph 4)	E060	C&D	<u>11,033,500</u>	<u>12,980,000</u>
Subtotal			<u>\$ 60,699,500</u>	<u>\$ 71,411,000</u>
TOTAL ADDITIONAL PROJECTS			\$ 112,350,900	\$ 140,292,000

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098
6 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-167**
Received: 2/23/05
Approved: 3/10/05

To be Presented at the September 15, 2006 Board Meeting

SPONSOR: ***LOSS CREEK IRRIGATION COMPANY***

President: Michael Dalton

LOCATION: The proposed project is located south of Circleville in Piute County.

EXISTING CONDITIONS & PROBLEMS: The Loss Creek Irrigation Company provides irrigation water to approximately 900 acres of farmland south of Circleville. Water is diverted from the Sevier River through a structure shared with the Circleville Irrigation Company. The radial gates on the diversion were installed in the 1950's and are in need of replacement. The board recently authorized a Circleville Irrigation Company project that included replacing its gate on the structure.

The three mile-long Loss Creek Canal was concrete lined in the 1960's and the lining is deteriorating. The sponsor estimates that up to 30% of the water diverted into the canal is lost to seepage.

PROPOSED PROJECT: The sponsor is requesting financial and technical assistance from the board to improve its irrigation system by replacing its radial gate at the river diversion and installing approximately two miles of 42 to 30-inch low-head pipe. The project will also include 12 turnouts and appurtenances. It should be noted that this project will not pipe the entire canal length.

The project fits in Prioritization Categories 3 & 4 (agricultural project that provides a significant

economic benefit and a project which will receive a large portion of funding from other sources).

COST ESTIMATE: The following cost estimate is based on staff's preliminary design:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	8'x 6' Radial Gate	1 EA	\$40,000	\$ 40,000
2.	ADS Pipe			
	a. 42-inch	3,700 LF	58.00	214,600
	b. 36-inch	6,100 LF	44.00	268,400
	c. 30-inch	800 LF	36.50	29,200
3.	Structures	LS	8,000	8,000
4.	Turnouts	12 EA	1,000	12,000
5.	Valves/Fittings	LS	4,000	<u>4,000</u>
Construction Cost				\$576,200
Contingencies				58,200
Legal and Administrative				8,000
Design and Construction Engineering				<u>57,600</u>
TOTAL				\$700,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$172,000	24.6%
Upper Sevier River WCD	388,000	55.4
Sponsor	<u>140,000</u>	<u>20.0</u>
TOTAL	\$700,000	100.0%

Upper Sevier River Water Conservancy District will receive its funds (grant) from Central Utah Water Conservancy District through Section 206.

If the board authorizes the project, it is suggested it be purchased with annual payments of \$8,800 at 0% interest over approximately 20 years.

FINANCIAL FEASIBILITY: The benefits from installing the project were estimated to be primarily from increased crop yields. Annual net benefits are computed as follows:

Annual increased crop production	\$33,000
Annual reduction of company O&M	<u>2,600</u>
Net Annual Benefit	\$35,600

With the proposed Water Resources share of the project being 24.6%, it is suggested the sponsor's repayment ability be calculated as 24.6% of the net annual benefit, or about \$8,800. This equals \$9.78 per acre, or \$5.68 per share. Shareholders currently pay about \$4.00 per share annually.

BENEFITS: Replacing the radial gate on the river diversion will improve operation of the sponsor's irrigation system. Piping a portion of the Loss Creek Canal will reduce operation and maintenance costs and conserve about 600 acre-feet of water annually, which will be used in the sponsor's service area.

PROJECT SPONSOR: Loss Creek Irrigation Company is presently registered in good standing with the state Department of Commerce. The company's 1,548 shares of company stock are held by 15 shareholders.

In the early 1950's the Circleville and Loss Creek Irrigation Companies co-sponsored a diversion dam and canal-lining project, for which the board provided about \$32,000. The board also provided nearly \$41,000 for a canal-lining project in the 1960's. Both projects have been paid off.

WATER RIGHTS & SUPPLY: The sponsor diverts its water from the South Fork of the Sevier River. Its rights, as described on page eight of the Cox Decree, are to be used on 858.4 acres and are as follows:

<u>Water Right</u>	<u>Class</u>	<u>Diversion</u>	<u>Use</u>
61-2000	Primary	9.68 cfs	Irrigation
61-2001	Primary	3.07 cfs	Stockwater
61-2002	Secondary	3.45 cfs	Irrigation
61-2003	Third	3.04 cfs	Irrigation

It also holds Water Right 61-891, which allows a 0.25 cfs diversion for use on 59.1 acres, which the State Engineer's office indicates is included under the 858.4 acres described in the Cox Decree.

EASEMENTS: The proposed pipeline will be installed within the existing canal alignment.

ENVIRONMENTAL: The project is not expected to cause any long-term environmental impacts.

WATER
CONSERVATION: It is estimated the project will conserve about 600 acre-feet annually, which will be used in the sponsor's service area.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Verify with the State Engineer's office that the number of acres irrigated under the project are allowed under its recorded water right.
3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
5. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights presently in the name of the board cover the land to be irrigated by the project.

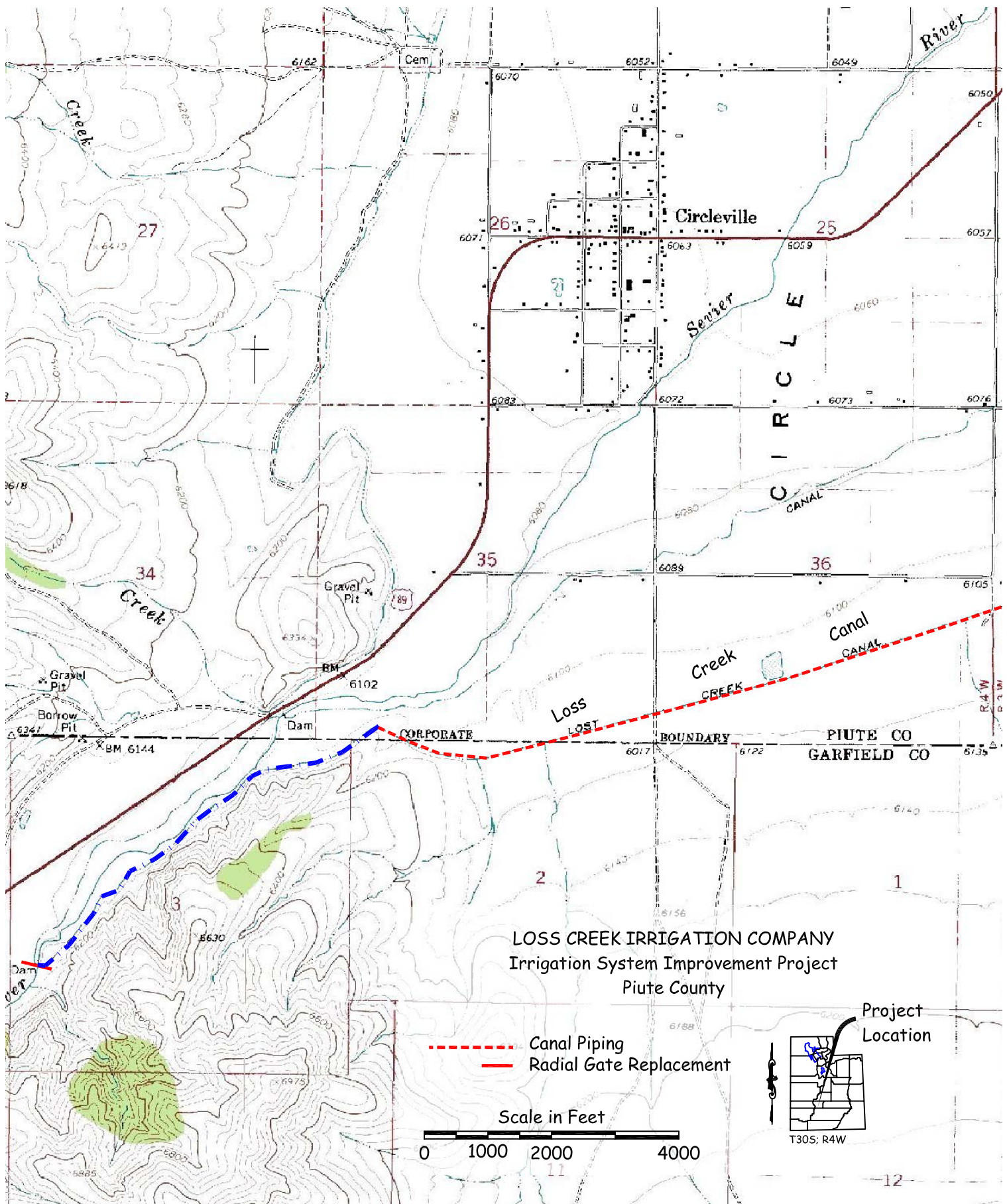
In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

6. Submit recorded copies of all easements and land transfer deeds necessary to construct the project to the Board of Water Resources.

7. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT
CONTACT
PEOPLE:

President:	Michael Dalton 121 West 400 South Circleville, UT 84723 Phone: (435) 577-2863
Secretary:	Paul Morgan Box 188 Circleville, UT 84723 Phone: (435) 577-2813



BOARD OF WATER RESOURCES

Special Item

Recommittal of Funds

Conservation and Development Fund

Appl. No.: **E-196**
Received: 1/9/06
Approved: 2/3/06
Authorized: 4/28/06
Committed: 7/28/06

To be Presented at the September 15, 2006 Board Meeting

SPONSOR: ***EMIGRATION IMPROVEMENT DISTRICT***

General Manager: Fred A. Smolka
3350 Emigration Canyon Road
Salt Lake City, UT 84108
Phone: (801) 582-6176

LOCATION: The project is located in Emigration Canyon,
approximately three miles east of Salt Lake City in
Salt Lake County.

PROJECT SUMMARY: The sponsor delivers culinary drinking water to
approximately 200 connections in Emigration canyon.
In July, 2006 the board committed funds to expand the
sponsor's culinary water system to serve additional
residences along Emigration Canyon Road. Bids for
construction of the 22,600 foot, 8-inch PVC mainline,
2-inch distribution lines, and 34 fire hydrants came
in well above the engineer's estimate.

COST ESTIMATE & SHARING: The sponsor requests additional funds from the board
to construct the project in its entirety at the bid
price.

The committed and proposed cost sharing are:

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-166**
Received: 2/23/05
Approved: 3/10/05
Authorized: 10/28/05

To be Presented at the September 15, 2006 Board Meeting

SPONSOR: **CIRCLEVILLE IRRIGATION COMPANY**

President: Chris Fullmer
210 West 200 South
Circleville, UT 84723
Phone: (435) 577-2585

LOCATION: The proposed project is located in and around
Circleville in Piute County.

PROJECT SUMMARY: The board authorized a project to replace radial
gates at two of the irrigation company's Sevier River
diversions, turnouts on three canals, and piping of a
section of ditch in town.

The sponsor is ready to proceed with the radial gate
and turnout replacement portion of the project.

COST ESTIMATE & SHARING: The cost estimate and sharing remain as authorized
and are as shown:

<u>Agency</u>	<u>Cost Share</u>	<u>% of Total</u>
Water Resources	\$115,000	19%
Upper Sevier River WCD Section 206 Grant	458,000	75
Sponsor	<u>38,000</u>	<u>6</u>
TOTAL	\$611,000	100%

PURCHASE
AGREEMENT:

If the board commits funds to the project, it is proposed the loan terms remain as authorized: the project will be purchased with annual payments of \$8,000 at 0% interest over approximately 15 years.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-184**
Received: 9/16/05
Approved: 9/30/05
Authorized: 4/28/06

To be Presented at the September 15, 2006 Board Meeting

SPONSOR: **OTTER CREEK RESERVOIR COMPANY**

President: Ivan Cowley
165 W. Center Street
Venice, UT 84701
Phone: (435) 896-5217

LOCATION: The proposed project is located about four miles north of Antimony in Piute County.

PROJECT SUMMARY: The company is requesting financial assistance from the board to install two radial gates in the service spillway of Otter Creek Reservoir to raise the level of the reservoir an additional two feet, increasing storage capacity to 52,660 acre-feet.

COST ESTIMATE & SHARING: The cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$190,000	85%
Sponsor	<u>34,000</u>	<u>15</u>
TOTAL	\$224,000	100%

REPAYMENT: If the board commits funds to the project it is suggested the purchase agreement remain as authorized: the project will be purchased in 10 years at 0% interest with annual payments of approximately \$19,000.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report/Reauthorization

Conservation & Development Fund

Appl. No.: **E-173**
Received: 4/29/05
Approved: 6/10/05
Authorized: 9/30/05

To be Presented at the September 15, 2006 Board Meeting

SPONSOR: ***CUB RIVER IRRIGATION COMPANY***

President: Gale Moser

LOCATION: The proposed project is located about a mile south of Whitney, Idaho, which is about four miles north of the Cache County-Idaho border.

EXISTING CONDITIONS & PROBLEMS: The sponsor diverts water from the Cub River about four miles east of Whitney, Idaho and transmits it westward in the six mile-long Cub Canal and the Middle Ditch, which combine before splitting into Upper and Lower Canals. Water in those two canals flows in a southerly direction, with the Upper Canal providing water for southern portions of Idaho before flowing into the East Canal, which carries water into Cache Valley. The sponsor supplements its Cub River supply with water pumped from the Bear River about a mile north of the Utah-Idaho border.

About 27,000 acres of farmland are irrigated (75% sprinkle and 25% flood) between the Cub and Bear Rivers, with 75% of the land in Utah. Up to 280 cfs can be delivered through the sponsor's 26 miles of canals.

In September 2005, the board authorized a project to improve the sponsor's irrigation system by installing a pressurized pipeline to serve the area presently served by the Upper Canal. The sponsor planned to use the Upper Canal during high flows to continue to deliver excess water to the East Canal. Since

authorization, the engineer has determined that the proposed pipeline can serve some users on the East Canal and several additional shareholders have decided to participate, increasing the scope and cost of the project, and changing funding to the Conservation and Development Fund.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to install about 13 miles of gravity-pressurized PVC pipeline and two pump stations. Engineering services are being provided by Franson-Noble Engineering in American Fork.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area.)

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	PVC Pipe, 100 psi			
	a. 27-inch	1,000 LF	\$40	\$ 40,000
	b. 24-inch	13,200 LF	31	409,200
	c. 21-inch	21,800 LF	24.75	539,550
	d. 18-inch	6,500 LF	17.90	116,350
	e. 15-inch	1,800 LF	11.25	20,250
	f. 12-inch	6,200 LF	7.50	46,500
	g. 10-inch	9,300 LF	6.00	55,800
	h. 8-inch	2,700 LF	4.00	10,800
	i. 6-inch	1,500 LF	2.50	3,750
2.	PVC Pipe, 80 psi			
	a. 27-inch	2,300 LF	35.00	80,500
3.	Furnish & Install ADS Hwy Crossing	140 LF	120	16,800
4.	Railroad Crossing	LS	25,000	25,000
5.	Co. Cross. Borings	9 EA	10,000	90,000
6.	Haworth Pump Sta.	LS	65,500	65,500
7.	East Canal Pump Sta.	LS	130,000	130,000
8.	Valves, Fittings, Drains	LS	250,000	250,000
9.	Meters	20 EA	2,500	50,000
Construction Cost				<u>\$1,950,000</u>

Contingencies	100,000
Legal and Administrative	50,000
Design and Construction Engineering	<u>300,000</u>
TOTAL	\$2,400,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,280,000	53%
Idaho Board of Water Resources (2005)	500,000	21
Idaho Board of Water Resources (2006)	500,000	21
Sponsor	<u>120,000</u>	<u>5</u>
TOTAL	\$2,400,000	100%

If the board authorizes the project, it is suggested it be purchased in approximately 27 years at 2% interest with annual payments of \$62,800 for the first 26 years and a final payment of approximately \$28,000.

ECONOMIC
FEASIBILITY:

The proposed project is economically feasible if benefits from reduced pumping and operation and maintenance costs, and increased net farm income exceed costs of the project. When all costs and benefits are discounted to present value at 5.67% over an assumed 50-year project life, the benefit/cost ratio is 0.98.

FINANCIAL
FEASIBILITY:

Benefits of the project will include an annual reduction in canal water losses of approximately 1,600 acre-feet. Although in most years this saved water will remain in the Bear River, during extended droughts it will be used to reduce irrigation water shortages in the sponsor's service area. Operation and maintenance costs will also be reduced, and on-farm pumping costs will be eliminated with the gravity-pressurized pipeline:

	<u>Total</u>	<u>Utah Portion</u>
Annual Value of Water Savings	\$18,000	\$13,500
Annual O&M Cost Reduction	20,000	15,000
Annual On-Farm Pumping Savings	<u>80,000</u>	<u>2,000</u>
TOTAL	\$118,000	\$30,500

When the project was originally authorized the board agreed to participate in 55% of the project costs, even though the benefit to Utah was about 26%. The maximum amount the Idaho Board of Water Resources can loan annually is \$500,000. Because the proposed project spans two fiscal years, the sponsor has requested an additional \$500,000, making the board's share 53%.

It is suggested the sponsor's repayment ability be calculated as approximately 53% of the \$118,000 or \$62,500.

BENEFITS: Benefits of the project will include an annual reduction in canal water losses of approximately 1,600 acre-feet. In addition, there will be savings in reduced pumping costs.

PROJECT SPONSOR: The Cub River Irrigation Company is comprised of 312 stockholders holding 3,000 shares and irrigating about 27,000 acres. A share of stock represents a flow of 4 cfs for two hours each week between May 1 and October 1. The company is registered in good standing with the state Department of Commerce.

The company has received financial assistance from the board on six previous occasions. In 1976 the board provided \$74,000 to line 3½ miles of its West Pump Canal and install diversion structures. In 1977 the board provided \$30,000 to help install a pumped sprinkle irrigation system on 450 acres. In 1985 the board provided \$116,000 to replace a flume, several diversion structures within the distribution system, and pump transformers. In 1991 the board provided \$22,000 to replace the crossing of a creek under the Cub Canal. In 1995 the board provided \$54,000 to help repair a portion of the Cub Canal that washed out. In 1998 the board provided \$64,000 to help install about 4,000 feet of 18 and 21-inch transmission pipeline and associated canal structures between the Upper and Lower Canals. All projects have been paid off except the most recent, which will be paid off in 2007.

WATER RIGHTS & SUPPLY: The board presently holds title to the irrigation company's water rights on the Cub and Bear Rivers, with filings listed in Idaho. The rights are:

<u>Description</u>	<u>WRNUM</u>	<u>Flow (cfs)</u>
Cub River	13-26B	38.36
Bergquist Springs	13-26C	9.44
	13-26D	
	13-34A	
	13-34B	
Worm Creek	13-222	15
Bear River	109883	125

The sponsor also has 20,000 acre-feet in Bear Lake. It relies on this storage as flows decrease under its other rights.

In March 2006, the board agreed to parity status of the water rights with the Idaho Board of Water Resources. Their security requirements are similar to the board's. The sponsor is requesting that the board still consider parity status with the increase in project scope.

EASEMENTS: The sponsor has obtained easements for the pipeline alignment and road crossing permits from the county.

ENVIRONMENTAL: The environmental impact of the project is expected to be minimal.

WATER CONSERVATION: The sponsor has completed a Water Management and Conservation Plan. The project will develop approximately 1,600 acre-feet annually.

SPONSOR'S RESPONSIBILITIES: If the board re-authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

- a. Submit recorded copies of all easements and land transfer deeds necessary to construct the project to the Board of Water Resources.

2. Obtain all approvals for the project required by Idaho agencies and according to Idaho law.

3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties and easements required for the project to the Board of Water Resources.
- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

- a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
- b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
- c. The company has obtained all permits required for the project.
- d. The company has obtained all approvals for the project required by Idaho agencies and according to Idaho law.

5. Have an attorney give the Board of Water Resources a written legal opinion that:

- a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, and the land necessary for the project.

6. Obtain approval of final plans and specifications from the Division of Water Resources.

7. Obtain approval of parity agreement from attorney general's office and Idaho Board of Water Resources.

PROJECT
CONTACT
PEOPLE:

President:

Gale C. Moser
1864 Hulls Crossing
Preston, ID 83263
Phone: (208) 852-0560

Secretary:

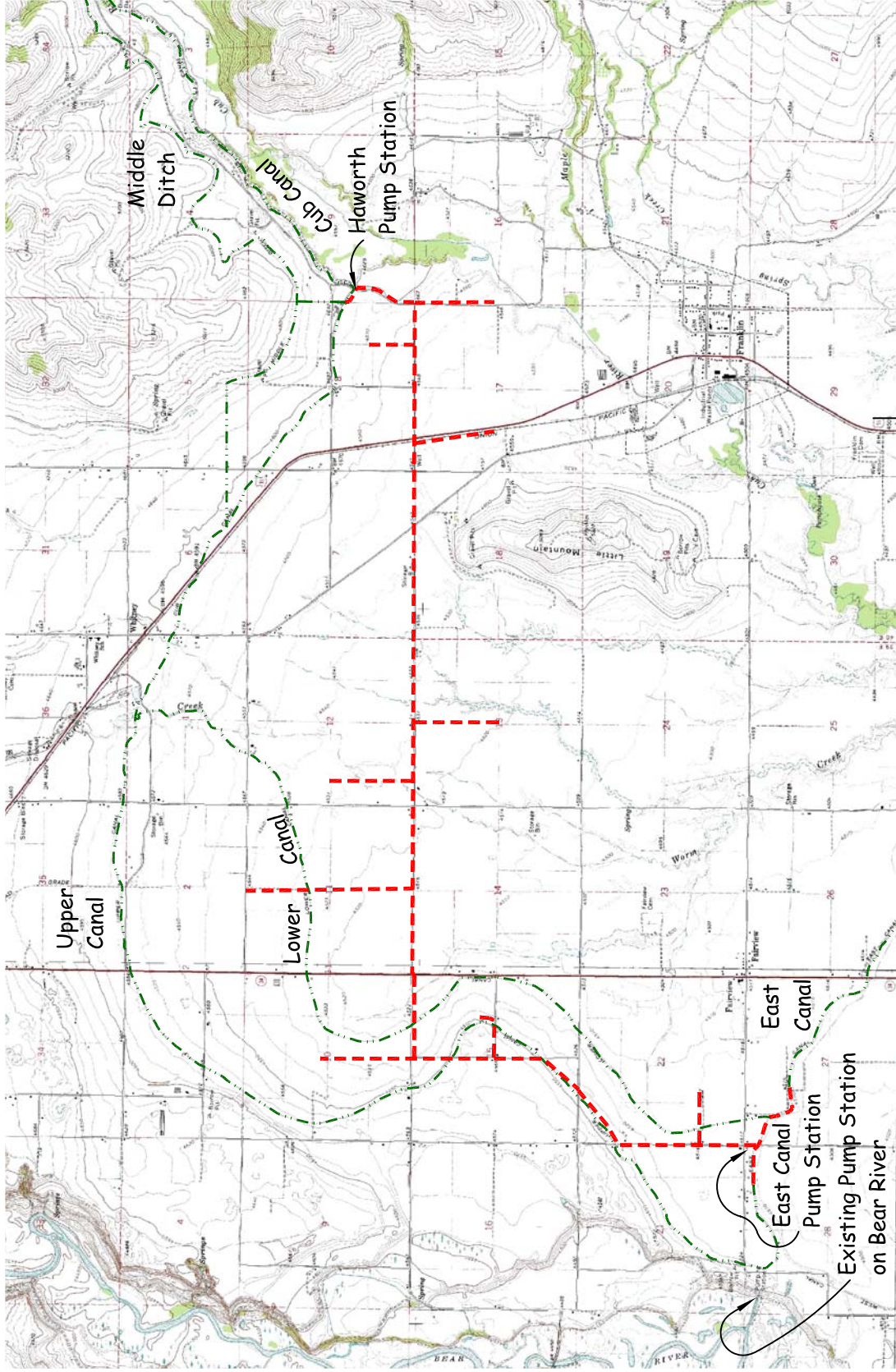
Max Gilbert
82 West 4800 South
Preston, ID 83263
Phone: (208) 852-2722

Manager:

Regan Wheeler
2530 West 2000 South
Lewiston, UT 84320
Phone: (435) 258-2522

Engineer:

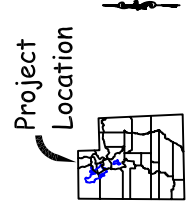
Franson-Noble Engineering
1276 South 820 East, Ste 100
American Fork, UT 84003
Phone: (801) 756-0309



~ 20 Miles
to Logan

--- Proposed Pipeline
--- Existing System

Scale in Feet
0 5000



CUB RIVER IRRIGATION COMPANY
Proposed Pipeline Project
Franklin Co. Idaho

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$2,160,000	\$2,860,000	90%
Sponsor	240,000	320,000	10
TOTAL	\$2,400,000	\$3,180,000	100%

PURCHASE
AGREEMENT:

The committed purchase agreement requires the \$2,160,000 be returned with annual payments of \$83,700 at 1% interest over approximately 30 years. If the board commits additional funds for the increased cost of the project, staff recommends the board provide an additional \$700,000 and the \$2,860,000 be returned with increasing annual payments from approximately \$104,000 to \$128,000 at 1% interest over 30 years.

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Contract Amendment - Additional Funds

Appl. No.: **C-033**
Committed: 4/28/06

To be Presented at the September 15, 2006 Board Meeting

SPONSOR: ***KENT'S LAKE RESERVOIR COMPANY***

President: Robin K. Bradshaw
P.O. Box 1051
Beaver, UT 84713
Phone: (435) 438-5195

LOCATION: Three Creeks Dam is located approximately 14 miles east of Beaver in Beaver County.

SUMMARY: The sponsor is requesting additional financial assistance from the board to upgrade Three Creeks Dam. The bid came in much higher than the initial estimate, and after investigation it has been determined that improvements also need to be made in the outlet tunnel.

COSTS & COST SHARING: The estimated cost increase is \$1,220,000, and the sponsor requests additional grant and loan funds to complete the upgrade.

The committed and proposed cost sharing are:

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe - Grant	\$2,375,000	\$3,534,000	95%
BWRe - Loan	<u>125,000</u>	<u>186,000</u>	<u>5</u>
TOTAL	\$2,500,000	\$3,720,000	100%

If the board commits funds as shown, it is proposed the \$186,000 be returned at 0% interest over approximately 12 years with annual payments of \$8,000 for the first six years and \$23,000 for the remaining six years.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-207***

Received: 8/8/06

SPONSOR: ***LEOTA IRRIGATION COMPANY, INC.***

President: Alex Barney
HC 69 Box 168
Randlett, UT 84063
Phone: (435) 545-2487

LOCATION: The proposed project is located about 22 miles south of Vernal in Uintah County.

PROPOSED PROJECT: The sponsor is requesting assistance to install pump stations and a transmission pipeline to deliver its Flaming Gorge water right from the Green River to its existing pressurized irrigation systems.

WATER RIGHTS: 41-3487

COST ESTIMATE: \$3,500,000

Tour of
Central Utah Project Facilities and Provo Reservoir Canal
July 26 – 27, 2006

Attendees:

Brad Hancock
Paul & Judy McPherson
Warren Peterson
Blair Francis
John Carman
Harold & Diane Shirley
Ivan & Marlene Flint
Craig & Jonnie Johansen

Dennis Strong
Eric Millis
Todd Adams
Randy Staker
Ann Merrill
Mike Suflita
Lee Sporleder
Patrick Cowley
Geralee Murdock

Kim Rodela
Ivan Djambov

Rich Tullis
Chris Finlinson
Laurie Burnett

The group boarded the bus at 9:00 a.m. Rich Tullis pointed out the construction of the Central Utah Conservation Garden located at the Central Utah Water Conservancy District (CUWCD) office building that will be completed in the spring of 2007. It should be a good tool in educating the public. They will be able to find out things that will help them design their own landscapes.

Mr. Tullis said the CUWCD has a close working relationship with the Provo River Water Users Association (PRWUA). The district needs Deer Creek Reservoir to make Jordanelle work. Most of the CUP supply comes from the Provo River and is stored in Jordanelle Reservoir. The PRWUA receives water that comes below Jordanelle in exchange. This keeps the minimum flows required for the June Sucker in the lower Provo River. CUWCD has to come up with 8,000 acre-feet of water for the endangered species and one way to do this is to use the water saved by piping the Provo Reservoir Canal (PRC). The PRWUA has received authorization

from the Board of Water Resources for \$60 million to pay for half of the enclosure of the PRC. The CUWCD is requesting authorization for \$60 million to pay for its half of the enclosure project.

The bus drove to an area above Cabela's and met Keith Denos, Craig Miller and Sara Larsen from the PRWUA, and Mike Wilson of the Metropolitan Water District of Salt Lake and Sandy. They boarded the bus. Keith Denos pointed out an area of the PRC that had failed just above Cabela's the previous year. He also said a child had drowned in the canal recently and this is why it is important the canal be enclosed with pipe. It will also keep trash, debris and overland out of the river. The water in the canal is important to Salt Lake County as well as Utah County. The bus stopped at the Dry Creek Siphon where the group observed how it functioned. Mike Wilson of Metropolitan Water District of Salt Lake and Sandy (MWDSL) said the Jordan Valley Water Conservancy District, Central Utah Water Conservancy District, Provo River Water Users Association and the MWDSL are all eager to get the enclosure project completed. The PRWUA people left the bus.

The bus arrived at the Spanish Fork Flow Control Structure at the Mouth of Diamond Fork Canyon. Jackson Croft met the group and explained the function of the structure. A box lunch was provided the group at the Diamond Fork Campground by the CUWCD. After lunch the bus proceeded to the Diamond Fork Creek Outlet Structure where the Board Members were able to observe how the structure dissipated energy from the pipeline. From there the bus went to the Upper Diamond Fork Flow Control Structure. The bus returned to the CUWCD office building in Orem then to the CUWCD office in Heber (Wasatch County Water Efficiency Project and Daniel Replacement Project) there the group was shown slides where the showing how the Heber Valley was converted from flood irrigation to pressurized irrigation, and also the pump station for the Daniels Replacement Project which was adjacent to the Daniels Irrigation Pond. The point of the project is to reduce inefficiency and make water available for instream flows and groundwater recharge. The CUWCD uses water from the Daniels Replacement Project to replace water historically moved down Daniels Canyon. The bus proceeded up Daniels Canyon to the Daniels Summit Lodge where the CUWCD provided lodging for the night and dinner for the group.

The next morning the group boarded the bus at 7:30 a.m. to go to Soldier Creek Dam which impounds Strawberry Reservoir. Keith Hooper and Bill met the group and explained the dam has had abutment and stability issues, basically drainage problems. After the reservoir filled the dam was evaluated by the Bureau of Reclamation and considered safe. The group entered a tunnel at the dam that had been bored to monitor seepage. From there the group went to Jordanelle Dam where they looked at the outlet works. Some of the group walked around the outlet structure and had to put their eye glasses in their pocket because of the suction caused by the outlet. They also had to use ear plugs as the sound was deafening. They were also shown where the hydropower plant would be built. The bus proceeded past Deer Creek Reservoir to the Olmstead Diversion Dam and Screening Structure where the screening structure was demonstrated. The bus returned to the CUWCD office where lunch was provided for the group.

After lunch the group boarded the bus to tour the Utah Valley Water Treatment Plant located on the East Orem Bench. The water for the plant is diverted from the Provo River at the Olmstead Diversion Dam. The bus returned to the CUWCD office in Orem where the tour ended at 3:20 p.m.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES
BRIEFING MEETING
July 27, 2006

Board Room
Central Utah Water Conservancy District
355 West University Parkway
Orem, Utah

Minutes of the
Board of Water Resources
Briefing Meeting
July 27, 2006
3:45 p.m.

Attendees:

Brad Hancock
Paul McPherson
John Carman
Warren Peterson
Harold Shirley
Craig Johansen
Blair Francis
Ivan Flint

Dennis Strong
Eric Millis
Todd Adams
Patrick Cowley
Randy Staker
Geralee Murdock

Discussion of Projects
Whiterocks Irrigation Company

Brad Hancock said the project involves the construction of a diversion dam at Tridell in Uintah County. Patrick Cowley said funds would be made available through Senator Bennett's office in the amount of \$3.5 million in the form of a grant through the Army Corps of Engineers. This amount will be 40% of the project cost. Mr. Hancock said this would add to their late season irrigation water supply. Whiterocks Irrigation Company also provides water to the Tridell-Lapoint Water Improvement District for drinking water. Presently, there is a moratorium on building until sufficient water is available.

The Board discussed the project's low b.c. ratio of .66 rather than the usual 1. Director Strong said water projects have been built throughout the state that have a b.c. ratio lower than 1. The important thing is that the aggregate b/c ratio for all projects is greater than 1 and the current aggregate b/c ratio is about 1.4.

Central Utah Water Conservancy District

The Central Utah Water Conservancy District (CUWCD) is cooperating with the Provo River Water Users Association (PRWUA) to fund part of the Provo Reservoir Canal enclosure project and is requesting \$60 million from the Board. Chair Hancock asked if the Board had

enough funds to consider the CUWCD project. Director Strong said at the time these projects are ready to go the Board may have sufficient funds to loan the CUWCD the money, as well as the PRWUA and still fund the Lake Powell Pipeline Project and the Bear River Development project as well as all the usual projects that request funding from the Board. If not there are ways the funds can be made available, such as recapitalization.

CUWCD set its budget to provide funding for the project through Section 207 grants that will not be received before 2012; therefore the district is requesting funds from the Board so construction can begin as early as the fall of 2008. When funds are received through Section 207 they will be given to the Board to help reduce CUWCD's financial obligation.

After considerable discussion, Warren Peterson said to eliminate any question he would abstain from voting even though he doesn't have a formal conflict of interest.

Committal of Funds Emigration Improvement District

John Carman said the culinary water project will be going out to bid on August 9, however the district is concerned with staff's recommendation of having 80% of the subscribers commit to the project. Mr. Carman said the district is thinking of only committing funds to half of the project at this time and committing funds to the other half at a later date if the 80% is a requirement. Eric Millis said the 80% subscription was only a recommendation and not part of the official motion. Chair Hancock said the district needs to commit funds to the entire project.

Mr. Carman said when the project is completed giving fire protection to all the houses on the main road; the insurance rates will likely go down. All new houses in the area are required to install internal sprinklers.

Davis & Weber Counties Canal Co

Ivan Flint said this is the fifth phase of this project authorized in September, 2000. When this season's work is completed all planned canal improvements will be finished. Dennis Strong said when the next phase is ready for committal of funds the project should be re-authorized as it has been over five years since the initial authorization. This fifth phase of the project is the same as authorized.

Dry Gulch Irrigation Company

The Dry Gulch Irrigation Company is requesting financial assistance to repair and upgrade the outlet works of Crescent Lake Dam and the outlet works, dikes, spillway, and wet well of Fox Lake Dam. Eric Millis said this project is the same as authorized. Blair Francis will make the motion for Chair Hancock.

Special Items
Newcastle Water Company

Harold Shirley said the project is to replace Newcastle's 3 and 4-inch pipelines with about three miles of 8-inch pipeline. The company has spent \$60,000 to purchase 24 acre-feet of water, and is therefore requesting it be counted towards its \$81,000 cost share of the project.

City of North Salt Lake

The city is planning a project to install three new wells, four new water tanks and 7,000 feet of pipe. They are requesting the Board provide a grant of \$30,000 to purchase bond insurance. This will save the city approximately \$395,000 in interest payments over the bond's repayment period.

Other Items

Warren Peterson had a correction for the June 16, 2006 board meeting minutes. It will be taken care of in the morning board meeting.

The Board discussed the extension of the Flaming Gorge Water Right. Director Strong said this would be discussed in more detail in the September Board meeting.

Meeting adjourned at 5:50 p.m.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
July 28, 2006

Board Room
Central Utah Water Conservancy District
355 W University Parkway
Orem Utah

TABLE OF CONTENTS

	<u>page</u>
SUMMARY OF BOARD ACTIONS	ii
THOSE PRESENT	iii
APPROVAL OF MINUTES	1
CHAIR’S REPORT	1
FEASIBILITY REPORTS	
#E-084 Whiterocks Irrigation Company.....	1
#E-205 Central Utah Water Conservancy District.....	2
COMMITTAL OF FUNDS	
#E-123 Davis-Weber Counties Canal Company	3
#E-176 Dry Gulch Irrigation Company	4
#E-196 Emigration Improvement District	4
SPECIAL ITEMS	
#E-202 Newcastle Water Company.....	5
#E-206 City of North Salt Lake	5
DIRECTOR’S REPORT.....	6

SUMMARY OF BOARD ACTIONS

1. The Minutes of the June 16, 2006 Board meetings were approved with a suggested change Page 1
2. The Board authorized the Whiterocks Irrigation Company project in the amount of \$4.955 million (55.7%) at 1% interest to be purchased with annual payments of \$168,500 over approximately 35 years. Page 2
3. The Central Utah Water Conservancy District project was authorized in the amount of \$60 million (44.8%) from the C&D fund. The financial assistance is to be returned at 4.2% interest with the remaining terms to be set at the time funds are committed. It has yet to be determined which avenue (bonding or contractual agreement) will be pursued. There are two conditions 2) the type of financing arrangement whether it be contract, bond purchase by the Board, interest buydown or other arrangement to be approved by the Board at the time of committal, 2) the sponsor apply for funding of this project under Section 207 of the CUPCA and that any Section 207 funding received for this project be paid to the Board to reduce the loan balance. Page 3
4. Funds were committed to the Davis and Weber Counties Canal Company project (Phase V) in the amount of \$2.125 million (85%) to be returned in 30 years at 3.6% interest with annual payments of approximately \$117,000. Page 4
5. The Board committed funds to the Dry Gulch Irrigation Company in the amount of \$221,000 (85%) at 0% interest to be purchased over 20 years with annual payments of approximately \$11,100. Page 4
6. Funds were committed to the Emigration Improvement District project in the amount of \$2.160 million (90%) to be returned with annual payments of approximately \$83,700 at 1% interest over 30 years. Page 4
7. The Newcastle Water Company project was authorized and funds committed in the amount of \$459,000 (85%) to be purchased with annual payments of \$18,400 at 0% interest over approximately 25 years. Page 5
8. The Board authorized and committed funds to the City of North Salt Lake to provide a grant of \$30,000 for bond insurance. Page 6

THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Friday, July 28, 2006 Board Room of the Central Utah Water Conservancy District, 355 West University Parkway, Or Orem, Utah. Chair Hancock presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Brad Hancock
Paul McPherson
Harold Shirley
Warren Peterson
Blair Francis
Ivan Flint
Craig Johansen

STAFF MEMBERS PRESENT:

Dennis Strong, Director
Eric Millis, Deputy Director
Todd Adams, Asst. Director
Randy Staker, Accountant
Tom Cox, Engineer
Russell Hadley, Engineer
Patrick Cowley, Engineer
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

Clinton Nielson, President, Whiterocks Irrigation Company
Glade Wooley, Whiterocks Irrigation Company
Daren Anderson, Engineering Services, Inc.

Rich Tullis, Asst. General Manager, Central Utah WCD
Laurie Barnett, Admin. Assistant, Central Utah WCD

Keith Denos, General Manager, Provo River Water Users Association
Sara Larsen, GIS coordinator, Provo River Water Users Association

Ivan Ray, Manager, Davis & Weber Counties Canal Co.
Lee Cammack, Project Engineer

OTHERS CONT'D:

Fred Smolka, Manager, Emigration Improvement District
Lynn Hales, Trustee, Emigration Improvement District
Gerald Kinghorn, Attorney

Stephen Christensen, President, NewCastle Water Company

Collin Wood, City Manager, North Salt Lake City
Paul Ottesen, City Engineer, North Salt Lake City
Brian Passey, Finance Director, North Salt Lake City
Rod Wood, Public Works Director, North Salt Lake City
Jason Burningham, LYRB, Inc.

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
July 28, 2006

Chair Hancock welcomed everyone to the meeting.

APPROVAL OF MINUTES

Warren Peterson suggested a change in the June 16, 2006 Board meeting minutes. Ivan Flint made the motion to approve the minutes of the June 15 and 16, 2006 minutes with the suggested change in the Board meeting minutes. Paul McPherson seconded the motion and the Board agreed unanimously.

CHAIR'S REPORT

Chair Hancock thanked the Central Utah Water Conservancy District for the extensive tour the Board and staff participated in the last two days. He especially thanked Rich Tullis, Christine Finlinson and Laurie Barnett. It was a very informative tour and the Board and staff appreciated the great hospitality.

FEASIBILITY REPORTS

#E-084 Whiterocks Irrigation Company

Chair Hancock introduced Glade Wooley, Clint Nielson and Daren Anderson, engineer. Patrick Cowley reported the proposed project is located one mile northeast of Tridell, which is about 17 miles west of Vernal in Uintah County. The Whiterocks Irrigation Company serves water to 6,649 acres, and delivers culinary water to 430 connections of the Tridell-Lapoint Water Improvement District. The company experiences shortages nearly every year due to shortage of supply late in the season. The company is requesting to increase the inseason storage by constructing an offstream vertical dam to impound up to 2,700 acre-feet of water for both irrigation and culinary use. Technical assistance is being provide by Engineering Services in Vernal.

The project is estimated to cost \$8.9 million. The company has applied for an Army Corps of Engineers grant (595) for \$3.5 million which is 39.3% of the estimated project cost. The company is requesting the Board provide \$4.955 million (55.7%).

Water developed for the project will be used for both culinary and irrigation purposes. Because there are no acceptable alternative sources for culinary water the benefit/cost ratio is assumed to be 1.0. Based on the increased annual net income of the irrigators the benefit/cost ratio is found to be .66. The benefit/cost ratio increases to .95 when both state and local cost shares are used in the analysis. Based on the Board's water service affordability guidelines the

district residents can pay up to \$31.05 monthly for water. The cost of the proposed project based on 430 residential connections is \$32.54 per month.

Warren Peterson commented the water is pretty expensive and asked if the company felt comfortable with the staff estimate that was higher than the company's. Mr. Nielson said yes. Director Strong asked how quickly the company intended to begin construction. Mr. Nielson said they plan to begin next spring. Warren Peterson made the motion to authorize the Whiterocks Irrigation Company project in the amount of \$4.955 million (55.7%) at 1% interest to be purchased with annual payments of \$168,500 over approximately 35 years. Blair Francis seconded the motion, and the Board agreed unanimously.

#E-205 Central Utah Water Conservancy District

Chair Hancock introduced Rich Tullis and Laurie Barnett. Tom Cox reported in the February 2006 the Board authorized a \$134 million project sponsored by the Provo River Water Users Association (PRWUA) to enclose the 21.5 mile Provo Reservoir Canal which extends from the mouth of Provo Canyon up to I-15 at the Point of the Mountain. Increasing safety, liability, and water quality concerns have prompted PRWUA to pursue enclosing the canal.

The Central Utah Water Conservancy District (CUWCD) is cooperating with the PRWUA to fund part of the project. Through its participation, CUWCD would receive an estimated 8,000 acre-feet saved annually by eliminating seepage and evaporation losses in the canal, which will be used to fulfill a portion of its federal instream flow requirements in the lower Provo River. With the completion of the Utah Lake Drainage System CUWCD will have an obligation to deliver up to 30,000 acre-feet of project water to the south end of the Provo Reservoir Canal in Orem.

CUWCD set its budget to provide funding for the project over several years through Section 207 grants and local funding, starting around 2012. Due to federal appropriations, it is likely this date would be extended several years. PRWUA wishes to proceed immediately, with funding needed for materials possibly as soon as 2008 and continuing in the off-season for three or four years, therefore, the CUWCD is requesting financial assistance from the Board to provide its funding share of the Provo Reservoir Canal enclosure project. The estimated cost is \$134 million. CUWCD is requesting the Board provide \$60 million.

The Bureau of Reclamation currently holds title to the canal easement, but PRWUA is making arrangements to have the title transferred; the environmental community supports the project. The water savings goes towards the recovery of the June Sucker (endangered fish) in the Lower Provo River.

Rich Tullis thanked the Board for the opportunity to be at the Board meeting. He said the project was discussed during the tour along with the other projects CUWCD is attempting to complete using its own funds. He thanked Keith Denos (PRWUA) and Mike Wilson (MWDSLs) for also participating in the tour. He said CUWCD feels it is important to close the Provo Reservoir Canal and CUWCD is doing everything it can to support the PRWUA. He

reminded the Board of the timing issues requiring CUWCD to request financial assistance from the Board at this time.

Warren Peterson asked to be recused from the discussion and vote. He said there's probably legally not a conflict of interest but to avoid the appearance of one because of the tie between this project and the PRWUA portion of the project, as he is general counsel to PRWUA, he asked to be recused.

Ivan Flint asked Rich Tullis to explain why CUWCD changed the way the financing of this program occurred. Rich Tullis said CUWCD's first priority for federal appropriation dollars has to be toward the construction of the Utah Lake System. He said the federal share of this project would not be available before 2012 and PRWUA is anxious to begin construction by 2008. When federal funds become available CUWCD will make payments to the Board from the federal appropriations.

Chair Hancock expressed the Board's concern in CUWCD's request for \$60 million after the Board authorized the PRWUA project in the amount of \$60 million. After considerable discussion, Paul McPherson made the motion the Board authorize the CUWCD project in the amount of \$60 million (44.8%) from the C&D fund. The financial assistance is to be returned at 4.2% interest with the remaining terms to be set at the time funds are committed. It has yet to be determined which avenue (bonding or contractual agreement) will be pursued. There are two conditions 1) the type of financing arrangement whether it be contract, bond purchase by the Board, interest buydown or other arrangement to be approved by the Board at the time of committal, 2) the sponsor apply for funding of this project under Section 207 of the CUPCA and that any Section 207 funding received for this project be paid to the Board to reduce the loan balance. Harold Shirley seconded the motion and the Board unanimously agreed.

COMMITTAL OF FUNDS

#E-123 Davis-Weber Counties Canal Company

Chair Hancock introduced Ivan Ray, general manager, and Lee Cammack, engineer. Tom Cox reported in September 2000 the Board authorized the company's \$25.5 million, multi-phased Davis-Weber Canal improvement projects. Phases I – IV consisting of 10,000 feet of box culvert and 60,000 feet of reinforced concrete liner have been installed. The company is proceeding with Phase V which includes installing approximately one mile of reinforced concrete liner. Design has been completed and the project bid. Construction is expected to get underway in October in order to complete the project by April 2007. The estimated cost of Phase V is \$2.5 million. With the completion of this season's work, all planned canal improvements will be finished from US-89 on the east to near I-15 on the west.

Ivan Ray said the company appreciates working with the Board of Water Resources. He said they haven't tried to complete this project all at once they've been doing it in phases. When this phase is complete, 90% of the entire project will be either boxed, piped, or relined.

Warren Peterson said the project was authorized in September 2000, and asked what was left on the schedule to do and where are you as far as your budget is concerned in the scope of your authorization? Lee Cammack said east of Highway 89 and up to the headworks, repair at the headworks, and additional work on two emergency spillways still needs to be done. He said the canal company is updating on a regular basis and an updated long-term plan will be submitted to the Board this fall.

Ivan Flint said because this project has gone more than five years a new estimate of completion and a revised cost estimate needs to be completed. The project will then need to come before the Board for re-authorization before another phase is committed. This is a condition of my motion. He then made the motion to commit funds to the Davis & Weber Counties Canal Company (Phase V) in the amount of \$2.125 million (85%) to be returned in 30 years at 3.6% interest with annual payments of approximately \$117,000. Warren Peterson seconded the motion and the Board agreed unanimously.

#E-176 Dry Gulch Irrigation Company

Russ Hadley reported the Dry Gulch Irrigation Company project was authorized in 2005 to make repairs and upgrades to the outlet works, dikes, wet wells, and spillways in Fox and Crescent Lakes dams in the high wilderness area of Ashley National Forest. The cost estimate remains the same as authorized at \$260,000. Blair Francis made the motion to commit funds to the Dry Gulch Irrigation Company in the amount of \$221,000 (85%) at 0% interest to be purchased over 20 years with annual payments of approximately \$11,100. Paul McPherson seconded the motion and the Board unanimously agreed.

#E-196 Emigration Improvement District

Chair Hancock introduced Fred Smolka, Lynn Hales of the district and Gerald Kinghorn, attorney. Patrick Cowley reported the district is requesting financial assistance to expand its existing culinary water system to serve existing residences along Emigration Canyon Road plus an additional 15 at buildout. The project includes approximately 22,600 feet of 8-inch PVC main line with 2-inch distribution lines, and 34 fire hydrants. The project will be constructed in two phases. The estimated cost of the project is \$2.4 million.

Lynn Hales thanked the Board and staff for its consideration and efforts. He said the district was hopeful to get approval so they can pursue the project immediately to meet the needs of the Emigration Canyon residents. Harold Shirley made the motion to commit funds to the Emigration Improvement District in the amount of \$2.160 million (90%) to be returned with annual payments of approximately \$83,700 at 1% interest over 30 years. Craig Johansen seconded the motion and it was unanimously agreed upon by the Board.

SPECIAL ITEMS

#E-202 Newcastle Water Co.

Chair Hancock introduced Stephen Christensen. Russ Hadley reported the proposed project is located in the unincorporated community of Newcastle, about 26 miles west of Cedar City in Iron County. The company serves culinary water to 112 homes by one well and two storage tanks with 280,000 gallons capacity. Some homes built below the well suffer inadequate pressure and are below state health department standards. The company is requesting financial assistance to replace its 3 and 4-inch pipelines with about three miles of 8-inch pipeline, install a booster pump, 10 new fire hydrants and re-connect eight existing fire hydrants. Alpha Engineering of St. George is providing technical services. The estimated cost of the project is \$540,000. The company purchased 24 acre-feet of water for \$60,000 from a local farmer and is requesting its purchase of the water rights be counted towards its cost share of the project.

According to the Board guidelines Newcastle residents could pay up to \$24.60 for all water service. With the proposed project in place the cost/connection/month will be \$50.50. The company has nearly completed the Board's requirements and is requesting funds be committed today.

Stephen Christensen said the company appreciates the opportunity to appear before the Board. He said the original system was put in originally in the late 1940's and is fairly out-dated.

Warren Peterson was concerned about the repayment structure. He said there was a concern the monthly revenue per connection needs to be increased by \$15. The Board is concerned the company isn't charging enough to repay the loan. Mr. Christensen said they raised the rates a year ago. In the company's annual meeting it was told there was a chance the rates would go higher. Mr. Christensen said they need the project as there is no fire protection.

Harold Shirley made the motion to authorize and commit funds to the New Castle Irrigation Company in the amount of \$459,000 (85%) to be purchased with annual payments of \$18,400 at 0% interest over approximately 25 years. Warren Peterson seconded the motion and the Board unanimously agreed.

#E-206 City of North Salt Lake

Chair Hancock introduced Collin Wood, Paul Otteson, Brian Passey, Rod Wood and Jason Burningham. Eric Millis said the City of North Salt Lake recently completed a comprehensive master plan update which identifies a \$4.5 million group of projects that will include three new wells and four new water tanks totaling four million gallons, 7,000 feet of pipe, upgrades to two of its booster pumps stations, and some storm water improvements. The city is going to the bond market to provide funds for the project and is requesting the Board provide a grant of \$30,000 to purchase bond instance. This will save the city \$395 million over the payment period. Jason Burningham said this is a significant project for the city of North Salt Lake. The request for bond insurance will go a long way in helping North Salt Lake tax payers.

Ivan Flint made the motion the Board authorize and commit funds to provide a grant of \$30,000 to provide bond insurance to the city of North Salt Lake. Paul McPherson seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Dennis Strong said at the Western States Water Council there was a lot of discussion about global warming. He said we won't plan every water project s though it is the end of the world. In Utah we use an awful lot of water, and if it gets as bad as some people say it can we will have severe restrictions, but not to the point we won't have drinking water. At some point issues of population growth and restricting growth because of water could happen, but lots of things could happen.

A presentation was made to the Water Issues Task Force on conservation. He said we think the real issues of the Task Force will be associated with instream flows and with the irrigation company removals of regulations and how they're constituted, and with the organization of competence. Mr. Strong said David Ovard is supportive of the state passing laws associated with landscape ordinances. Mr. Strong said the water agencies should be presenting and promoting water conservation ideas without passing laws. If laws are to be passed it should be done on the local level where input can be received from the people affected by the laws. The Southern Nevada Water Authority came to the meeting and talked about what they are doing in Las Vegas. The things they are doing in Las Vegas could be done in Utah – however digging up grass in Utah doesn't need to be done yet.

The 7-Basin States met in Denver earlier in the month and talked about coordinated reservoir operations and shortage criteria guidelines again. There's lots of talk to be had yet, and we'll be involved in those discussions for many months.

Director Strong informed the Board about the T-shirt and wristband placed in front of each Board member. The wrist band is a slow-the-flow reminder. It is part of the Governor's Water Conservation campaign. The T-shirt displays all the newly created logos representing the divisions of the Department of Natural Resources and the Department of Natural Resources logo. They all tie the division's logos to the department's logo. Water Resources logo is a water pump with a drop of water representing water supply and the history of water development.

Mr. Strong asked Todd Adams to report on the 2025 grant received from the Bureau of Reclamation. The division will partner with Weber Basin Water Conservancy District with this. Mr. Adams said: the division had been notified the middle of July they had received a 2025 grant for \$100,000 to install 250-300 smart timers in homes in the Weber Basin area. Weber Basin Water Conservancy District will participate by putting in \$100,000. These smart timers will take the ET signal from a local weather station and determine how much water is being put out and how much is needed. Mr. Adams said the division is excited to try this new technology.

Meeting adjourned at 10:40 p.m.

Tour
Metropolitan Water District of Salt Lake and Sandy Projects
June 15, 2006

Attendees:

Brad Hancock
Paul McPherson
John Carman
Blair Francis
Harold & Diane Shirley
Craig Johansen

Dennis Strong
Eric Millis
Todd Adams
Greg Williams
Mike Suflita
Val Anderson
Ann Merrill
Ken Short
Randy Staker
Geralee Murdock

Kim Rodela
Mike Wilson
Wayne Winston
Brad Bender

Mike Wilson, General Manager of the Metropolitan Water District of Salt Lake and Sandy (MWDSLs) conducted the tour. The group boarded the bus at 9:45 a.m. to proceed to the Point of the Mountain Water Treatment Plant. On the way they passed the Southeast Water Treatment Plant owned by Jordan Valley Water Conservancy District. On the east side was the alignment of the Salt Lake Aqueduct. Mr. Wilson said this was an example of how the independent water entities coordinated their surplus capacity; they work with one another.

Mr. Wilson pointed out the end of the Jordan Aqueduct and talked about the division of water between MWDSLs and Jordan Valley Water Conservancy District. He said the primary source of water for the new treatment plant would be the Provo Reservoir Canal, which is operated by the Provo River Water Users Association (PRWUA). The PRWUA is the local sponsor of the Deer Creek Division of the Provo River Project. MWDSLs owns 61.7% of the water that will be conveyed to the treatment plant.

The bus stopped so the Board and staff could see the intake structure. The bus then proceeded to the water treatment plant site. Wayne Winston of MWDSLs staff boarded the bus and explained to the group the infrastructure of the water treatment plant facilities that were being constructed. He said several different contractors were constructing the plant. The bus then proceeded back towards MWDSLs offices. Along the way it stopped and Mr. Wilson showed the group construction of the Pont of the Mountain Aqueduct. At this point, the pipeline was being constructed in a residential area. There are five different contractors working on the aqueduct at various places. The bus stopped at Little Cottonwood Creek and Mr. Wilson showed the Board the new intake structure for the Little Cottonwood Water Treatment Plant.

The bus returned to MWDSLs office building where a box lunch was provided by MWDSLs for the board and staff

Mike Wilson talked about what the board had seen being constructed at the point of the mountain. He said they currently have a staff of 65 and will have a staff of 68-70 when the facilities are built.

Brad Bender explained the Aquifer Storage Recovery (ASR) program. Little Cottonwood Creek and the Provo River are the source of water. Little Cottonwood Creek does not have any storage on it. He said the district is trying to capture as much water off Little Cottonwood Creek as they can. Mr. Bender said up in the canyon is a good place to put water on the ground and let it soak in. In the design process they came up with three methods (1) a spreading basin, (2) seepage trenches, (3) Vadose zone – put water in a 4-foot diameter casing and let it seep in. They will try the three methods next spring. The group climbed back on the bus and Mr. Bender and Mr. Wilson showed the board members the ASR project being constructed. They also pointed out improvements being made to the Little Cottonwood Water Treatment Plant.

The tour ended at 2:15 p.m. and the board members proceeded to the MWDSLs Board Room for the Briefing Meeting.

Unapproved
BOARD OF WATER RESOURCES
BRIEFING MEETING
June 15, 2006

District Board Room
Metropolitan Water District of Salt Lake and Sandy
3430 Danish Road
Salt Lake City, Utah

Board of Water Resources
Briefing Meeting
Metropolitan Water District of SL & Sandy Board Room
3430 Danish Road
Salt Lake City, Utah
June 15, 2006 – 2:15 p.m.

Attendees:

Brad Hancock, Chair
Paul McPherson, Vice-chair
Ivan Flint
John Carman
Harold Shirley
Blair Francis
Craig Johansen

Dennis Strong, Director
Eric Millis, Deputy Director
Todd Adams, Asst. Director
Val Anderson, Chief, Investigations
Randy Staker, Accountant
Geralee Murdock, Admin. Secretary
Kim Rodela, Legislative Analyst

Director's Report
Flaming Gorge Water Right

Director Strong said Trust Lands has made a request to move its water right from Bull Frog to Green River. At Green River they want to let Tim Vetterre use most of the water right for irrigation on SITLA land and a convenience store wants to purchase some water to provide a truck stop in the Green River area. The Board needs to decide whether or not to approve this request. If it doesn't work the water right would eventually come back to the Board. Chair Hancock asked the Board members if anyone had a problem with this request.

Mr. Strong recommended the Board give an automatic extension until December 31, 2006, (to those who apply) to the awards that are due July 1, 2006. All the water right awards can then be addressed early next year. The awards would then be eligible for an extension of time until July 1, 2008. Harold Shirley will make a motion to that effect.

Discussion of Projects

Salem City

Salem is requesting financial assistance to install a secondary irrigation system throughout its boundaries. Paul McPherson stated this was a pretty good project. Staff is suggesting the sponsor install 25 test meters to assess their workability in the system. The division will provide the meters.

Committal of Funds

Deseret Irrigation Company

The Board authorized the company's multi-phase project to pipe approximately 12,000 feet of the South Hinckley Canal and concrete-line approximately 9,500 feet of the Old Deseret Canal. The project remains the same as authorized.

Fountain Green Irrigation Company

The company is requesting technical and financial assistance to design and construct a new well. The project remains the same as authorized.

Town of Mantua

The town of Mantua is requesting financial assistance to drill and equip a second well. Blair Francis said Mantua received a grant from the Army Corps of Engineers and is requesting the Board provide less money.

Special Items

Hooper Irrigation Company

Hooper Irrigation Company would like to include a subdivision in the project that was previously authorized to serve agricultural and residential users. The company is therefore, requesting additional funds to take care of this.

Meeting adjourned at 3:47 p.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
June 16, 2006

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

TABLE OF CONTENTS

	<u>page</u>
SUMMARY OF BOARD ACTIONS	ii
THOSE PRESENT	iii
APPROVAL OF MINUTES	1
CHAIR’S REPORT	1
FEASIBILITY REPORT	
#E-199 Salem City	1
COMMITTAL OF FUNDS	
#E-101 Deseret Irrigation Company	2
#E-155 Fountain Green Irrigation Company	2
#E-553 Town of Mantua	2
SPECIAL ITEMS	
#E-130 Huntington-Cleveland Irrigation Company	3
#E-060 Hooper Irrigation Company	3
INTRODUCTIONS	4
LAKE POWELL PIPELINE	4
FLAMING GORGE WATER RIGHT – SITLA REQUEST	4
DIRECTOR’S REPORT	5
NEXT MEETING	6

SUMMARY OF BOARD ACTIONS

1. The Minutes of the April 28, 2006 board meetings were approved as prepared. page 1
2. The Board authorized the Salem City project in the amount of \$6.325 million (52.7%) to be returned at 17% interest over 25 years with payments starting at approximately \$191,000 and increasing 4.8% each year to a final payment of about \$562,000. page 2
3. Funds were committed to the Deseret Irrigation Company in the amount of \$168,000 (80%) to be returned in three years at 0% interest with annual payments of \$47,000 in 2010, \$87,000 in 2011, and approximately \$34,000 in 2012. page 2
4. The Board committed funds to the Fountain Green Irrigation Company in the amount of \$221,000 (85%) to be returned in approximately 20 years at 0% interest with annual payments of \$11,050. page 2
5. Funds were committed to the Town of Mantua in the amount of \$140,000 (22.6%) to be returned at 4% interest over 10 years with approximate annual payments of \$19,200. page 3
6. The Board withdrew the Huntington-Cleveland Irrigation Company project from further consideration by the Board. page 3
7. The Board amended the Hooper Irrigation Company contract to provide an additional \$145,000 and to state the company will return the \$5.542 million at 3% interest over 25 years with annual payments ranging from approximately \$225,000 to \$472,000. page 3
8. The Board agreed to allow SITLA to use its Flaming Gorge Water Right Award for irrigation in Green River. page 5
9. The Board agreed to give an automatic extension to all Flaming Gorge Water Right holders who apply until December 31, 2006. page 5

THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Friday June 16, 2006 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Brad Hancock presided over the 9:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Brad Hancock
Paul McPherson
Ivan Flint
Harold Shirley
John Carman
Blair Francis
Craig Johansen

STAFF MEMBERS PRESENT:

Dennis Strong, Director
Eric Millis, Deputy Director
Todd Adams, Asst. Director
Randy Staker, Accountant
Val Anderson, Chief, Investigations
Dan Aubrey, Chief Geologist
Ed Fall, Geologist
Tom Cox, Engineer
Russell Hadley, Engineer
Ashley Paulsen, Engineer
Brian King, Engineer
Geralee Murdock, Admin. Secretary

OTHERS PRESENT:

Troy Stout, Engineer, Weber Basin Water Conservancy District
Terry Warner, Engineer, HDR Engineering
Teny HSU, Engineer, HDR Engineering
Dale Pierson, Executive Director, Rural Water Users Association

Mayor Lane Henderson, Salem City
Stanley Green, City Councilman, Salem City
Bruce Ward, City Engineer, Salem City
Jonathan Ward, Zions Bank Public Finance

OTHERS PRESENT CONT'D:

Mayor Kent C. Jeppesen, Town of Mantua
Richard Jeppsen, Council Member, Town of Mantua
D. Chris Wight, Project Manager, Hansen & Associates

Theo Cox, President, Hooper Irrigation Company
Dennis Flinders, Water Manager, Hooper Irrigation Company

Kim Christy, Asst. Director, SITLA
Richard Wilcox, Deputy Asst. Director, Trust Lands Administration
Michael Quealy, Attorney, SITLA
Jim Riley, Manager, Jim Riley Engineering

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
June 16, 2006

Chair Hancock excused Warren Peterson from the meeting. He then presented former chair, Ivan Flint, with his gavel and expressed appreciation for the service he rendered as chair and for all the service he's provided to the water users in the state over the years. Mr. Flint said it had been an honor to serve with the Board. They are a dedicated bunch of people. He said he appreciated receiving the gavel.

Chair Hancock said there are two types of people in the world – those who do the work and those who take the credit. Try to be in the first group there's less competition there. He said the Board takes a lot of credit, however it is the staff that gets things done; they are appreciated.

APPROVAL OF THE MINUTES

Ivan Flint made the motion to approve the minutes of the April 28, 2006 board meetings as prepared. Blair Francis seconded the motion and it was unanimously agreed upon by the Board.

CHAIR'S REPORT

Chair Hancock thanked Mike Wilson of the Metropolitan Water District of Salt Lake and Sandy for the excellent tour of their water treatment plant construction site and facilities the Board enjoyed on Thursday.

FEASIBILITY REPORT

#E-199 Salem City

Chair Hancock introduced Mayor Lane Henderson, Stan Green, councilmember; Bruce Ward, city engineer; and Jonathan Ward, Zions Bank. Tom Cox reported Salem City supplies culinary water to about 1560 connections. Most of Salem City residents use culinary water for outdoor use except for about 200 residences that use Salem Canal water. The Strawberry High Line Canal provides agricultural water for the area between the two canals, however the land below both of the canals is being developed rapidly, with ditches being abandoned or eliminated. It has been estimated the unlined ditches lose 35% of their water to seepage.

The city is requesting financial assistance to install a secondary irrigation system throughout its boundaries. The project will include two regulating ponds located adjacent to the High Line Canal, a pump station on the Salem Canal, over 23 miles of 24 to 6-inch PVC pipe and about 1560 service connections. The cost of the project is estimated at \$12 million. The city

has obtained a Central Utah Water Conservancy District Section 207 grant for \$5 million. The city is requesting the project be constructed through a design-build process; the engineer has not yet been selected.

Mayor Henderson said they appreciated the Board listening to their proposal. Paul McPherson said the city had done some good planning and is well prepared to proceed with this project. He made the motion to authorize the Salem City project in the amount of \$6.325 million (52.7%) to be returned at 1.7% interest over 25 years with payments starting at approximately \$191,000 and increasing 4.8% each year to a final payment of about \$562,000. John Carman seconded the motion and the Board agreed unanimously.

COMMITTAL OF FUNDS

#E-101 Deseret Irrigation Company

Tom Cox reported in 2001 the Board authorized the company's \$900,000 multi-phase project to pipe approximately 12,000 feet of the South Hinckley Canal and concrete-line approximately 9,500 feet of the Old Deseret Canal. To date, nearly two miles of canal has been piped and about 6,500 feet lined. The company is ready to proceed with Phase V, concrete-lining the last 3,000 feet of the Old Deseret Canal. The estimated cost of the project is \$210,000.

Paul McPherson made the motion to commit funds to the Deseret Irrigation Company in the amount of \$168,000 (80%) to be returned in three years at 0% interest with annual payments of \$47,000 in 2010, \$87,000 in 2011, and approximately \$34,000 in 2012. Craig Johansen seconded the motion and it was unanimously agreed upon by the Board.

#E-185 Fountain Green Irrigation Company

Ed Fall reported the company is requesting technical and financial assistance to design and construct a new well. The estimated cost of the project is \$260,000. John Carman made the motion to commit funds to the Fountain Green Irrigation Company in the amount of \$221,000 (85%) to be returned in approximately 20 years at 0% interest with annual payments of \$11,050. Paul McPherson seconded the motion and the Board agreed unanimously.

#L-553 Town of Mantua

Chair Hancock introduced Mayor Kent Jeppesen, Richard Jeppesen and Chris Wight. Dan Aubrey reported in August of 2005 the Board authorized \$508,000 as part of the \$565,000 culinary water system improvement project. Since the project was authorized, Mantua has obtained a federal grant administered by the Army Corps of Engineers in the amount of \$465,000. The town is, therefore, requesting \$140,000 from the Board.

Mayor Jeppesen said they appreciated the opportunity to work with the Board of Water Resources. The request for funding is for a second well. They feel they need a second well in case something happens to the pump in the original well. Bruce Ward said there is a sand problem with the high pump rates in the original well and three to four months out of the year the town has to turn the spring water to waste because of turbidity. He said a change application will be filed so the town's water rights can be used in both wells.

Blair Francis made the motion to commit funds out of the Cities Water Loan Fund to the Town of Mantua in the amount of \$140,000 (22.6%) to be returned at 4% interest over 10 years with approximate annual payments of \$19,200. Ivan Flint seconded the motion and the Board unanimously agreed.

SPECIAL ITEMS

#E-130 Huntington-Cleveland Irrigation Company

The company requested \$21 million in assistance for a 3,500 acre-foot reservoir and pressurized sprinkle irrigation system. PacifiCorp is funding the project and construction has started. Craig Johansen made the motion to withdraw the Huntington-Cleveland Irrigation Company project from further consideration by the Board. Blair Francis seconded the motion and the Board agreed unanimously.

#E-060 Hooper Irrigation Company

Chair Hancock introduced Theo Cox, president; and Dennis Flinders, secretary/water manager. Russell Hadley reported in 2002 the Board authorized a \$20 million four-phased pressurized irrigation system to serve agricultural and residential users. Phase I of the project costing \$5.650 million has been completed. The company has begun Phase II of the project, with about 2.5 miles of secondary water lines. The company has been approached by a subdivision that would like to be included in the system, with an additional 20 homes at present and 10 more that may add on in the future. The addition to Phase II is estimated to cost \$170,000.

President Cox said the company has a line up to the edge of the subdivision and all they would have to do is go along in front of their houses. He said it would be a good deal for the company. He thanked the Board for considering this request.

Ivan Flint said this community has done a good job of installing the system. It is a plus for them to get a subdivision to hook on to the system. He made the motion to amend the Hooper Irrigation Company contract to provide an additional \$145,000 and to state the company will return the \$5.542 million at 3% interest over 25 years with annual payments ranging from approximately \$225,000 to \$472,000.

INTRODUCTIONS

Eric Millis said the division had hired two new staff in the Planning Branch. Todd Adams introduced Ashley Paulsen. Ashley said she grew up in Salt Lake and graduated from the University of Utah in Civil Engineering, and is finishing her Master's Degree in Environmental Engineering. Mr. Adams then introduced Brian King. Brian said he was born and raised in California, graduated from Brigham Young University in Agronomy and went to the University of Washington for his Master's Degree in Environmental Engineering. Afterwards he worked for a consulting firm. He said he and his wife wanted to return to Utah and was happy to be working at the Division of Water Resources. Mr. Millis said both Ashley and Brian came with excellent credentials.

LAKE POWELL PIPELINE

Eric Millis reminded the Board the Legislature passed the Lake Powell Pipeline Development Act, this past legislative session, requiring the Board of Water Resources to be the entity to develop the project. Harold Sersland has been hired as an environmental consultant to help with the NEPA compliance for the Lake Powell Pipeline Project. Mr. Millis said they had had one meeting with the Management Committee consisting of Harold Shirley from the Board of Water Resources, Director Dennis Strong from the Division of Water Resources a representative from the Washington County Water Conservancy District, Kane County Water Conservancy District and Central Iron County Water Conservancy District. The Committee has decided the Bureau of Land Management (BLM) should be the lead federal agency as the pipeline traverses 120 miles of BLM administered land. The Committee is also wanting to hire a contractor to do preliminary engineering work as part of the NEPA compliance. The next meeting will be June 27, at which time the Management Committee will try to come to agreement on what needs to be done. Also on the 27th, the Management Committee will meet with representatives from each of the involved BLM offices to introduce the project to them.

FLAMING GORGE WATER RIGHT – SITLA REQUEST

Chair Hancock introduced Kim Christy and Richard Wilcox from SITLA, Mike Quealy, attorney; and Jim Riley, engineer.

Director Strong referred the Board members to a memo in the Board folder under the Director's Report tab. He said the Board gave School and Institutional Trust Lands Administration (SITLA) a water right award from the Flaming Gorge Water Right in the amount of 600 acre-feet to be used in the Bull Frog area for resort development. On April 20, 2006, SITLA sent the Board a letter requesting the water right be moved to the Green River area to be used for irrigation.

Mr. Christy explained the background of SITLA to the group. He said SITLA was petitioning the Board today for its support in pursuing a change application for this water right

and also soliciting its support in granting an extension for the reversionary date. Mr. Wilcox explained SITLA's plans for a recreation area at Bull Frog. He said the use for the water in the Green River area is temporary; the main goal is to put the water to use in Bull Frog.

Ivan Flint asked about the temporary use in Green River. Mr. Wilcox said Tim Vetere has two Trust Lands Administration leases and one of the terms of the newest lease is to put this water to beneficial use for SITLA. Mike Quealy said this arrangement gives SITLA the opportunity to put the water to beneficial use and prove up on it almost immediately. There is not a lot of investment and construction time necessary to build new infrastructures, the canal is there and some of the pivots are already there.

Dennis Strong said once the proof is filed on the water then the Board's agreement is satisfied. What happens to the water in the future is up to the owner, and whatever the State Engineer allows them to do.

After further discussion, Craig Johansen made the motion to allow SITLA to use its Flaming Gorge award for irrigation in Green River. Paul McPherson seconded the motion and the Board unanimously agreed.

Director Strong said the Board has two kinds of Flaming Gorge awardees – those awarded in 1997 that had a contract completion date of December 31, 2006, and awards approved in 1999 that had a contract completion date of July 1, 2006. Staff is suggesting the Board extend the 1999 water user's contract until December 31, 2006. The Board will then address all of the Flaming Gorge water right awards early in 2007.

Mike Quealy suggested the Board's counsel look at the contracts to determine how the reversionary clause is written. Some of the awards may automatically be reverted to the Board on the stroke of midnight, December 31, 2006. Mr. Strong said that was a good suggestion and he would have Norm Johnson review the contracts.

Chair Hancock stated all awardees requesting an extension will need to submit a letter requesting the extension. Harold Shirley made the motion to give an automatic extension to all Flaming Gorge water right holders who apply until December 31, 2006. Paul McPherson seconded the motion and the Board unanimously agreed. Mr. Shirley said the Board would then look at all the applications in the January and March Board meetings.

DIRECTOR'S REPORT

Director Strong introduced Todd Adams as the new Asst. Director over the Planning Division. Mr. Strong said the Water Issues Task Force will meet on July 13 at the Jordan Valley Water Conservancy District at 9 a.m. He said the principle concern is instream flow. The division will be making a presentation on water conservation.

Mr. Strong said the Upper Colorado River Commission met in Wyoming and voted to accept a proposed new hydrologic determination. The hydrologic determination is used to

establish how much water there is in the Colorado River. When the Compact was first drafted they thought there was a whole lot more water in the Colorado River than there is. The hydrologic determination has been modified several times. The last modification was made in 1989. The Bureau of Reclamation prepares the hydrologic determination and the new one shows a slight increase in the river's flow.

Director Strong said he was sorry he wasn't at the beginning of the meeting, however he was involved in a conference call with Nevada regarding how to come to an agreement with the use of water in Snake Valley. Things look good, but the two states have to work out how much water is being used by each state and how much water is available for future use. There will be a lot of discussion about how to proceed toward an agreement between the states.

NEXT MEETING

The next meetings will be held July 26-27, 2006 with a tour of Central Utah Water Conservancy District's (CUWCD) facilities in the Strawberry Valley. A Board meeting will be held July 28, at the CUWCD's office in Orem.

Meeting adjourned at 11 a.m.

